



UNITED ACCUMULATIVE FUND LTD. STATEMENT OF CONSOLIDATED INCOME AND EXPENSE

For the six months ended March 31, 1971

INCOME:	
Dividends	\$2,974,268
Interest	2,175,170
	<u>5,149,438</u>
EXPENSE:	
Management fees	673,063
Shareholders accounting fees	288,000
Postage and printing	54,000
Custodian fees	27,759
Legal and audit	14,300
Directors' fees	14,059
Other expenses	7,042
	<u>1,078,223</u>
Net income before taxes	4,071,215
Income taxes	1,370,000
Net income	<u>\$2,701,215</u>

The consolidated financial statements do not include comparative figures, as it is the company's view that incorrect conclusions might be drawn from comparative figures due to continuous issuing of additional shares. It is the company's opinion that the statement of per share income and capital changes provides a more informative measure of the company's progress over a longer period of time, as it relates to the individual shareholder.

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FIVE FUND LTD.

CHANGES IN CONSOLIDATED NET ASSETS

For the six months ended March 31, 1971

Net assets September 30, 1970 \$276,474,652
Change during the period:

Income—	
Net income	2,701,215
Less dividend paid—	
4¢ per share on 64,250,576 shares outstanding at March 25, 1971	<u>2,570,023</u>
	131,192
Capital—	
Receipts and payments on account of share capital—	
For 2,171,642 shares issued	12,247,776
For 2,796,077 shares redeemed	<u>12,474,414</u>
	(226,638)
Realized loss on sale of investments—	
Proceeds from sales*	86,308,624
Aggregate cost	<u>87,613,783</u>
	(1,305,159)
Increase in unrealized appreciation of investments	38,809,533
Net assets March 31, 1971	<u>\$313,883,580</u>

Supplementary information:	
Cost of investment portfolio as at:	Shares and Debentures
September 30, 1970	\$176,179,183
March 31, 1971	251,826,235
Investments purchased during the period	163,260,835
	36,288,068
	199,548,903

*Excluding short term commercial note redemptions during
the period of \$40,808,106

STATEMENT OF PER-SHARE INCOME AND CAPITAL CHANGES

(for a share outstanding throughout the period for the ten years and six months ended March 31, 1971)

Year ended Sept. 30	Net asset value at beginning of period	INCOME				CAPITAL		
		Dividends and interest from investments	Expense	Income Taxes	Net Income	Dividends paid	Net realized and unrealized gain (loss) on investments	Net asset value at end of period
1961	\$2.28	\$.075	\$.02	\$.002	\$.053	\$.053	\$.76	\$3.04
1962	3.04	.075	.018	.002	.055	.055	(.37)	2.67
1963	2.67	.085	.019	.001	.065	.065	.50	3.17
1964	3.17	.10	.022	.003	.075	.075	.97	4.14
1965	4.14	.11	.022	.005	.083	.083	.43	4.57
1966	4.57	.115	.025	.007	.083	.083	(.48)	4.09
1967	4.09	.115	.028	.017	.07	.07	1.51	5.60
1968	5.60	.115	.032	.025	.058	.058	.55	6.15
1969	6.15	.14	.033	.044	.063	.07	(1.003)	5.14
1970	5.14	.186	.033	.061	.092	.085	(.89)	4.26
Six months ended March 31, 1971	4.26	.08	.018	.022	.04	.04	.59	4.85

The figures above have been adjusted to give effect to a stock dividend on January 31, 1962 of 2 fully paid shares of the capital stock of the Fund on each share then outstanding. This stock dividend was equivalent to a three-for-one stock split. The figures have also been adjusted to reflect the two-for-one stock split made January 23, 1969.



UNITED
ACCUMULATIVE FUND LTD.

**SEMI-ANNUAL REPORT
FOR THE PERIOD ENDED
MARCH 31, 1971**



UNITED ACCUMULATIVE FUND LTD.

BOARD OF DIRECTORS

85 Richmond Street West, Toronto 110, Ontario
(416) 866-6700

Directors

ALEX McD. McBAIN

JOHN M. GODFREY, Q.C.

JAMES B. PRENDERGAST

JACQUES de BILLY, Q.C.

J. M. RICHARD CORBET

MAURICE DÉSY, Q.C.

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GRAHAM M. MacLACHLAN

DONALD McINNES, Q.C.

CORNELIUS ROACH

M. J. WALLACE

N. W. WALLACE

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of the Board
President**

**Executive
Vice-President**

Toronto

Toronto

Toronto

Quebec

Toronto

Montreal

Toronto

Montreal

Toronto

Vancouver

Toronto

Toronto

Halifax

Saskatoon

Boston

Boston

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WILLIAM R. MILLER

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Vice-President –
Finance and Treasurer
Secretary
Assistant Secretary
Assistant Treasurer
Assistant Treasurer**

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GEORGE TIVILUK

F. GARTH COLLINS

W. DONALD FORSEY

Investment Manager

UNITED FUNDS MANAGEMENT LTD.

Toronto

Legal Counsel

CAMPBELL, GODFREY & LEWTAS

Toronto

Auditors

CLARKSON, GORDON & CO.

Toronto

Exclusive Distributors

UNITED INVESTMENT SERVICES LTD.

Toronto

UNITED INVESTMENT SERVICES

(QUEBEC) LTD.

Montreal

Bankers and Custodian

THE BANK OF NOVA SCOTIA

Toronto

Registrar and Transfer Agent

UNITED INVESTMENT SERVICES LTD.

Toronto

Branch Registrar and Transfer Agent

CANADA PERMANENT TRUST COMPANY

Montreal, Halifax, Winnipeg, Saskatoon,

Calgary and Vancouver

Printed in Canada



UNITED ACCUMULATIVE FUND LTD.

TO THE SHAREHOLDERS:

April 5th, 1971. Toronto 110, Ontario

Your Fund's second fiscal quarter which ended March 31, 1971, saw the continuation of the recovery in the North American stock markets that began last summer following the steepest stock market decline in the post-war era. This rejuvenation of common stock prices is most encouraging for mutual fund investors and accentuates the historical fact that stock prices do go both up and down over relatively short term periods, but fortunately the long term basic trend has been upward.

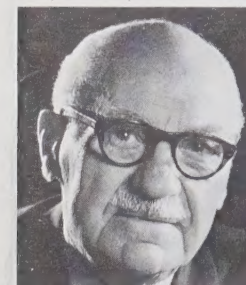
There is a definite relationship between stock markets and the growth in the economy; the first anticipating the direction and rate of change of the latter, anywhere from three months to a year in advance, the market often overdoing the expectation of the rise or slowdown of the economy. Another strong influence on the level of stock prices is psychological. In boom times there is an air of optimism that these times will continue indefinitely and, conversely, a slackening in the economy generates a feeling of pessimism that it will take longer than expected to reverse the trend.

At the present time the recovery in the economy has been slower than from any other postwar recession; but this may be beneficial in reducing inflationary pressures, particularly in the United States where monetary and fiscal policies were less successful than in Canada in alleviating the rate of inflation in 1970. Setting the stage for an upswing in both economies, however, has been a sharp reduction in interest rates, a steady rise in the money supply, increased housing starts, extensive cost reduction programmes by corporations, plus higher than normal savings rates by individuals. All of these, together with the knowledge that both the Canadian and United States governments are greatly concerned with the high rate of unemployment in each country in the face of 1972 election campaigns, should assure continued stimulation of the economies well into 1972.

During the current fiscal quarter your Fund increased in net asset value per share from \$4.47 to \$4.85, a rise of 8.5% excluding dividends paid. Including dividends paid, the increase was 9.4%. Even more encouraging is that from the low of \$3.85 per share last May 26 the recovery has amounted to 28.3%, including dividends paid.

Since your Fund is owned primarily by Canadian shareholders, investment policy has been aimed at maintaining a high level of Canadian content. We consider that within our investment policy there are some restrictions caused by the size of the domestic equity market. There are only a limited number of companies in Canada with large enough capitalizations for such an investment to be meaningful to the performance of your Fund; consequently it is desirable to have a sizeable foreign participation. Daily trading volume of many domestic companies is also comparatively small which affects the liquidity for large investment positions and this is another inhibiting factor to a higher proportion. Notwithstanding these considerations, however, management is constantly seeking out opportunities to share in and encourage growth in the Canadian economy of the future.

Respectfully submitted,



Alex McD. McBain
ALEX. McD. McBAIN
Chairman of the Board



John M. Godfrey
JOHN M. GODFREY
President



UNITED ACCUMULATIVE FUND LTD.

CONSOLIDATED INVESTMENT PORTFOLIO

March 31, 1971

Number of Shares or Par Value	Market Value	Percent of Net Assets	Number of Shares or Par Value	Market Value	Percent of Net Assets	Number of Shares or Par Value	Market Value	Percent of Net Assets
COMMON SHARES AND THEIR EQUIVALENT: 91.83%								
Automotive & Automotive Parts: 1.43%			Electronics: 1.74%			Retail: 2.93%		
37,000 Cummins Engine	\$1,657,820	.53%	46,700 Singer Company	\$3,597,111	1.15%	25,000 Metropolitan Stores	\$ 912,500	.29%
25,000 Ford Motor	1,516,605	.48	45,000 Tektronix Corporation	1,874,675	.59	200,000 Oshawa Wholesale "A"	2,650,000	.84
16,000 General Motors	1,321,020	.42	Food Processing: 3.82%			\$100,000 Oshawa Wholesale, Debtenture, 5½%, 1986*	94,080	.03
Banks & Finance: 13.36%			70,000 Consolidated Foods	3,215,707	1.02	Simpsons Ltd.	3,266,250	1.04
6,000 Bank of British Columbia	113,250	.04	100,000 General Foods	4,203,703	1.34	45,700 Woodward Stores "A"	999,688	.32
215,000 Bank of Montreal	3,225,000	1.03	66,000 Pet Incorporated	2,575,083	.82	81,200 Zeller's Ltd.	1,289,050	.41
160,000 Bank of Nova Scotia	3,980,000	1.27	100,800 George Weston	2,003,400	.64	Steel: 1.72%		
42,900 Bankers Trust New York	2,926,457	.93	Forest Products: 2.30%			100,000 Dominion Foundries & Steel	2,587,500	.82
18,800 Banque Canadienne Nationale	242,050	.08	117,300 Domtar Ltd.	1,656,862	.53	100,000 Steel Company of Canada	2,825,000	.90
18,000 Banque Canadienne Nationale Rights	8,820	—	63,400 MacMillan Bloedel	1,680,100	.54	Textiles & Apparel: 1.45%		
113,300 Canadian Imperial Bank of Commerce	2,535,087	.81	100,000 St. Regis Paper	3,876,469	1.23	100,000 Burlington Industries	4,556,109	1.45
95,000 Chase Manhattan Bank	5,703,318	1.82	Hotels & Restaurants: 2.61%			Tire: .40%		
70,000 First National City Bank	5,471,107	1.74	60,000 Hilton Hotels	2,884,697	.92	41,000 Goodyear Tire & Rubber	1,264,257	.40
50,000 Household Finance	2,485,723	.79	60,000 McDonalds Corporation	4,138,256	1.32	Utilities: 7.48%		
21,000 Marine Midland Bank	824,631	.26	100,000 Scotts Restaurant	1,162,500	.37	90,000 American Natural Gas	3,488,823	1.12
104,600 Royal Bank of Canada	2,719,600	.87	Metals & Mining: 6.51%			150,000 Bell Canada	7,312,500	2.33
105,000 Royal Trust	3,596,250	1.15	137,000 Alcan Aluminum	3,356,500	1.07	70,000 Calgary Power	1,986,250	.64
170,000 Toronto Dominion Bank	4,058,750	1.29	20,000 Falconbridge Nickel Mines	2,950,000	.94	77,700 Consumers' Gas	1,544,287	.49
94,200 U.S. Fidelity	4,042,880	1.28	50,000 Hudson Bay Mining & Smelting	1,200,000	.38	223,300 Northern & Central Gas	3,796,100	1.21
Beverages: 2.93%			80,000 International Nickel Company of Canada	3,580,000	1.14	82,000 Pacific Gas & Electric	2,765,887	.88
140,000 Crush International	2,590,000	.83	23,300 Joy National Manufacturing	1,246,322	.40	160,100 Union Gas	2,541,588	.81
46,970 Distillers Corp. Seagrams	2,495,282	.79	50,000 Kaiser Aluminum & Chemical	1,799,789	.57	Miscellaneous: 1.38%		
110,000 Hiram Walker, Gooderham & Worts	4,097,500	1.31	72,000 Kaiser Resources	477,000	.15	35,200 Dominion Textile	528,000	.17
Building & Real Estate: 1.19%			81,575 Noranda Mines	2,916,306	.93	36,300 Farrington Manufacturing	54,824	.02
50,000 Johns-Manville	2,139,609	.68	60,000 Pittston Company	2,914,903	.93	70,000 Huntington Rockford	28,000	.01
39,000 Jim Walter	1,600,176	.51	Office Equipment & Supplies: 12.58%			250,000 Markborough Properties	1,687,500	.54
Chemicals: 4.02%			31,000 International Business Machines	11,158,692	3.56	3,200 Mattagami Lake Mines	88,000	.03
96,200 Dart Industries	3,680,732	1.17	100,000 Moore Corporation	3,750,000	1.19	U.S. \$2,500,000 Pennsylvania Engineering, Debtenture, 5½%, 1993*	758,932	.24
23,000 Dupont (E.I.)	3,207,400	1.02	181,400 Rank Organisation	3,281,526	1.05	U.S. \$1,000,000 Pennsylvania Engineering, Debtenture, 5½%, 1994*	303,573	.10
120,000 W. R. Grace	4,123,153	1.31	324,950 Rank Organisation "A"	6,458,381	2.06	\$250,000 Polycorn, Debtenture, 5%, 1973*	250,000	.08
40,000 Monsanto Company	1,621,069	.52	34,000 Xerox Corporation	3,628,778	1.15	95,000 Ripley International	228,000	.07
Communications: 3.94%			Oil: 6.12%			\$656,000 Wardair Canada, Debtenture, 6½%, 1982*	354,240	.12
75,000 Gannett Company	3,341,566	1.06	38,000 Aquitaine Company of Canada	1,007,000	.32	Non-Convertible Debtentures: 1.27%		
100,000 Standard Broadcasting	1,162,500	.37	30,000 Canadian Industrial Gas & Oil, 5½%, preferred*	765,000	.24	U.S. \$2,000,000 American Telephone & Telegraph, Debtenture, 7%, 2001	1,965,923	.63
308,900 Thomson Newspapers	7,876,950	2.51	130,000 Gulf Oil Canada	2,957,500	.94	U.S. \$1,000,000 Columbia Gas System, Debtenture, 8½%, 1996	1,059,736	.34
Containers: .68%			76,800 Home Oil "A"	2,131,200	.68	U.S. \$1,000,000 Southwestern Bell, Debtenture, 6½%, 2011	959,048	.30
70,000 National Can	2,149,678	.68	50,000 Hudson Bay Oil & Gas	2,256,250	.72	TOTAL SHARES AND DEBENTURES		
Diversified Companies: 4.92%			137,900 Imperial Oil	2,913,138	.93		292,236,129	93.10
94,000 American Brands	4,673,159	1.49	27,000 Phillips Petroleum	852,949	.27	SHORT TERM COMMERCIAL NOTES		
35,000 International Telephone & Telegraph	2,079,197	.66	69,536 Royal Dutch Petroleum	2,853,073	.91		9,417,448	3.00
75,000 International Utilities	3,178,125	1.01	30,000 Standard Oil of New Jersey	2,408,948	.77	BANK CERTIFICATES OF DEPOSIT		
25,000 International Utilities "A"	1,187,500	.38	25,000 Supertest Petroleum	1,056,250	.34		10,269,772	3.27
60,000 Kinney National preferred*	4,349,700	1.38	Pipelines: 3.26%			OTHER ASSETS (LIABILITIES) NET		
Drugs & Cosmetics: 1.69%			80,100 Alberta Gas Trunk Lines "A"	4,145,175	1.32		1,960,231	.63
16,000 American Hospital Supply	583,988	.19	67,100 Trans Canada Pipelines	2,189,138	.70	NET ASSETS		
90,000 Faberge Inc.	1,789,720	.57	22,000 Trans Canada Pipelines, \$2.75 preferred*	1,364,000	.44		\$313,883,580	100.00%
40,000 Revlon Inc.	2,935,041	.93	2,200,000 Westcoast Transmission, Debtenture, 7½%, 1991*	2,519,000	.80	NET ASSET VALUE PER SHARE		
Electrical Equipment: 3.37%							\$4.85	
50,000 General Electric	5,638,500	1.80				*Convertible into common shares.		
60,000 Westinghouse Electric	4,931,170	1.57						



UNITED ACCUMULATIVE FUND LTD.

FUND NOTES

United Accumulative Fund, since it was founded in 1957, has endeavoured to help Canadians achieve financial independence and security.

Today, United Accumulative Fund has over 137,000 shareholder accounts and net assets are in excess of \$313,800,000.

Our objective is to help Canadians achieve their goals for financial independence through long-term growth of capital under continuous professional management. To provide the best in long-term growth and to suit the individual goals and needs of each of our shareholders, we have established three important services. Most of us require all three of these services to achieve our financial goals.

A cash investment provides an immediate investment whereby the shareholder can purchase as many shares as he wishes at the prevailing offered price. Dividends can be reinvested automatically.

A monthly savings plan provides for monthly investments on either a 10- or 15-year basis. Through regular monthly investments the investor achieves his goal. This is a most popular method of putting present and future earnings to work on a planned basis.

A variable withdrawal program is ideal to provide a monthly income when it is required – for retirement, for the education of our children, or for other purposes – after we have accumulated our capital goal.

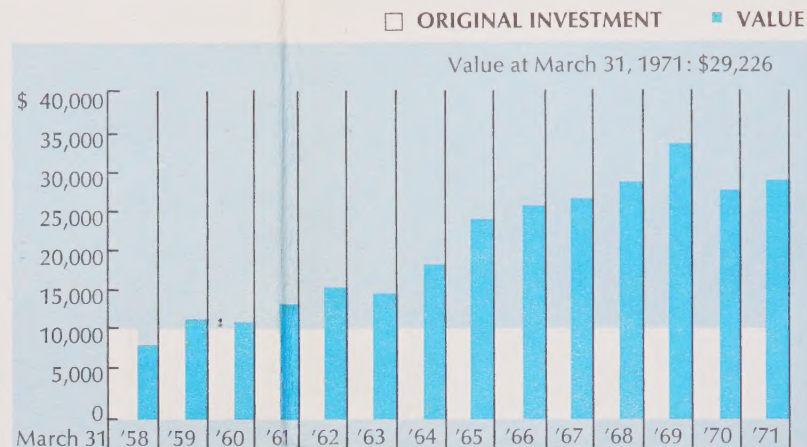
On these pages we take pleasure in illustrating the performance of these three United Accumulative Fund services. This performance has taken place in spite of declining markets in 1960, 1962, 1966 and again in 1969-70.

The illustrations show the performance of the Fund since inception, with reinvestment of dividends, after allowing for sales charges and management fees, at current rates.

If you receive an extra copy of this Report, would you please pass it on to someone you know who might be interested in this fund. The cost of preventing duplicate mailings to those with more than one account would far exceed the cost of printing and mailing extra copies.

Cash Investment

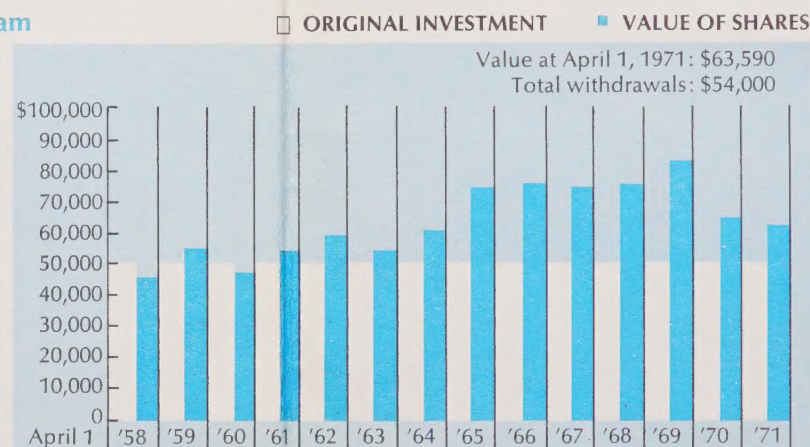
This chart shows the record of a \$10,000 investment in United Accumulative Fund Ltd. from its inception to March 31, 1971.*



Variable Withdrawal Program

This chart shows the record of a \$50,000 Variable Withdrawal Program in United Accumulative Fund Ltd. from its inception to April 1, 1971, with a withdrawal of 8 per cent of investment or \$4,000 per year (\$333.33 per month).*

Note: If the withdrawals are in excess of dividend income from the fund and net capital appreciation, it will result in encroachment on or possible exhaustion of the shareholder's original capital.



Monthly Savings Plan

This chart shows the record of an \$80 per month Periodic Investment Program in United Accumulative Fund Ltd. from its inception to March 31, 1971.*

* While past performance is no guarantee of how well the Fund will do in the future, prospects for the North American economy in years ahead are very promising.

